

Message Text

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43

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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P R 061615Z APR 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC PRIORITY 1726

INFO AMEMBASSY TEHRAN

AMEMBASSY TOKYO

C O N F I D E N T I A L CAIRO 4548

EXDIS

EO 11652: GDS

TAGS: EAID EG IR JP

SUBJECT: EMERGENCY ASSISTANCE FOR EGYPT: IRAN AND JAPAN

REF: (A) STATE 77841, (B) STATE 68197

1. I MET WITH PRIMIN MAMDUH SALIM TODAY. ALTHOUGH
I HAD HOPED TO MEET WITH ABU ISMAIL FIRST, PRIMIN'S
OFFICE CALLED LAST NIGHT TO FIX TIME FOR MEETING.
I AM NOW SCHEDULED TO MEET WITH ABU ISMAIL TOMORROW.

2. IRAN- I TOLD THE PRIMIN THAT ONE OF THE THINGS
I WISHED TO DISCUSS WITH HIM WAS GOE PLANS RE
APPROACHING IRAN IN CONNECTION WITH EMERGENCY
ASSISTANCE FOR EGYPT. I THEN RELATED TO HIM
UNDER SECRETARY ROBINSON'S PERTINENT TALK WITH
IRANIAN FINANCE MINISTER ANSARY AND LATTER'S
RESPONSE. DESPITE ANSARY'S BEARISHNESS
HE HAD ACKNOWLEDGED SHAH'S REAL CONCERN WITH
ASSISTING PRESIDENT SADAT TO MAINTAIN
THE POLITICAL CAPACITY TO PURSUE PEACE
PROCESS. ANSARY HAD NOT SPECIFICALLY SAID
SO, BUT HAD IMPLIED THAT THE SHAH MIGHT BE MORE
AMENABLE TO EGYPTIAN AID PROPOSALS THAN HE.
ANSARY HAD ALSO BEEN UNAWARE OF ANY EGYPTIAN
REQUEST TO IRAN FOR FY 76 B/P SUPPORT. IN OUR
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JUDGMENT, THE NEXT STEP OUGHT TO BE A HIGH LEVEL

EGYPTIAN APPROACH KIRECTLY TO THE SHAH, PREFERABLY BY THE PRESIDENT. GOE MIGHT THEN OFFER TO SEND A TECHNICALLY QUALIFIED MISSION TO TEHRAN TO FOLLOW UP THIS APPROACH. WE COULD THEREAFTER MAKE A FURTHER APPROACH TO GOI IN SUPPORT OF GOE REQUEST. WE WOULD ALSO BE WILLING TO ENCOURAGE LEADING US BANKDR DESIGNATED BY GOE TO LEAD EFFORTS TO ORGANIZE A COMMERCIAL BANK CONSORTIUM AND WORK OUT RE-FINANCING TERMS WITH GOI AND GOE.

3. PRIMIN HEARD MY PRESENTATION WITH INTEREST, BUT IT WAS OBVIOUS THAT HE HAD NOTYET APPROVED ANY FORMAL APPROACH TO IRAN. (RE CAIRO 4481, HE INDICATED NO AWARENESS OF FAHMY-INSPIRED EGYPTIAN EMBASSY APPROACH IN TEHRAN, AND I THOUGHT IT BETTER NOT TO MENTION IT TO HIM.) SALIM CONTENTED THAT THE IRANIANS HAD EARLIER TOLD ABU ISMAIL OF THEIR WILLINGNESS TO PROVIDE A BANK GUARANTEE FOR COMMERCIAL LOAN AND SAID HE ASSUMED THIS STILL APPLIES. I RECALLED THE STATEMENT TO ISMAIL HAD BEEN MADE LAST YEAR AND OPINED A NEW APPROACH OUGHT TO BE MADE TO GOE FOR FY 76 ASSISTANCE. PRIMIN AGREED. NOTING HE HAD BEEN UNABLE TO ACCEPT AN INVITATION TO IRAN A MONTH AGO BECAUSE OF PRESS OF BUSINES, HE SAID HE WILL EXPLORE POSSIBILITY OF GOING TO TEHRAN IN NEXT MONTH OR SO TO MAKE HIGH LEVEL APPROACH TO THE SHAH. HE LEFT OPEN THE QUESTION OF WHETHER HE MIGHT CARRY A LETTER FROM SADAT, BUT SAID HE WILL WANT TO DISCUSS THE IDEA WITH THE PRESIDENT WHEN LATTER RETURNS. HE ALSO INDICATED WILLINGNESS IN PRINCIPLE TO SEND A TECHNICALLY QUALIFIED MISSION TO TEHRAN TO FOLLOW UP HIS APPROACH AT THE APPROPRIATE TIME. HE WAS APPRECIATIVE OF USG APPROACHES AND WILLINGNESS TO CONTINUE SUPPORT GOE ACTION.

4. JAPAN- I ALSO TLD HIM OF OUR EFFORTS WITH JAPAN AND URGED THAT GOE TAKE APPROPRIATE CATION TO SOLICIT ASSISTANCE FROM THAT QUARTER. IT WAS MY UNDERSTANDING FAHMY'S APPROACH
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TO JAPANESE CHARGE HAD BEEN IN GENERAL TERMS ONLY. IN OUR VIEW, WHAT IS NOW NEEDED IS SOME SPECIFIC INDICATION OF GOE REQUIREMENTS. IN THIS CONNECTION, I NOTED JAPANESE HAVE ANSWERED OUR REPRESENTATIONS IN BEHALF OF EGYPT BY INDICATING NEGOTIATIONS FOR SECOND OECF LOAN OF \$25 MILLION HAVE NOT YET BEGUN. I URGED THAT GOE UTILIZE EXISTING JAPANESE LOANS IN ORDER TO QUALIFY QUICKLY FOR SECOND TRANCHE

OF PROMISED ASSISTANCE (STATE 75795). AT AN APPROPRIATE TIME GOE SHOULD ALSO CONSIDER SENDING HIGH LEVEL OFFICIAL, PERHAPS SOMEONE LIKE GHANDOUR, TO TOKYO TO PRESENT EGYPT'S CASE TO GOJ AND TO ANSWER ANY QUESTIONS IT MAY HAVE.

5. PRIMIN WAS PUZZLED ABOUT SUGGESTION GOE HAS NOT YET UTILIZED EXISTING JAPANESE LAONS. HE CALLED FOR CHART ON STATUS OF JAPANESE ASSISTANCE AND WENT THROUGHIT WITH ME. ACCORDING TO HIS INFORMATION, ALL JAPANESE ASSISTANCE OFFERED TO DATE HAS BEEN USED OR IS IN THE PROCESS OF BEING USED. HE NOTED SOME JAPANESE ASSISTANCE IS TIED DIRECTLY TO MAJOR PROJECTS. THIS KIND OF HELP DOES NOT ASSIST EGYPT'S B/P PROBLEM. DESPITE MUCH EFFORT LAST YEAR, GOJ HAD COME THROUGH WITH ONLY \$25 MILLION OF NEW MONEY. HE WAS SKEPTICAL THAT JAPAN IS LIKELY TO BE MORE GENEROUS THIS YEAR. HE NVERTHELESS AGREED THAT AN APPROACH SHOULD BE MADE TO GOJ AND ALSO ACCEPTED IN PRINCIPLE THE IDEA OF SENDING A HIGH LEVEL REP TO TOKYO AT AN APPROPRIATE TIME. HE PROMISED TO SEND ME A COPY OF HIS STATUS SHEET OF JAPANESE ASSISTANCE.

66. COMMENT: AM NOT SURE THAT PRIMIN'S STATUS SHEET ON JAPANESE IS FULLY UP TO DATE. I ALSO INTEND RAISE THE MATTER OF HIGH LEVEL APPROACHES TO IRAN AND JAPAN TOMORROW WHEN I SEE ABU ISMAIL AND WILL ASK FOR HIS IMPRESSION OF WHETHER ANY AID OFFERED BY THE JAPANESE HAS NOT YET BEEN NOGOTIATED. WITH NEW JAPANESE AMB HERE, I WILL ALSO CONTINUE TO URGE GOE
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MAKE MORE SPICIFIC APPROACH TO HIM THAN WAS DONE WITH JAPANESE CHARGE SOME WEEKS AGE.
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